

# Second Quarter 2020 Financial Report

*Finance Department*



*September 1, 2020*



# Second Quarter Report

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- Reports unaudited activity through June 30, 2020
- Allows comparisons to Q2 of the previous year, and recently revised expectations due to the impact of COVID-19
- Identifies trends that may impact 2020 results

# Key Points

- The General Fund is performing near the 2020 Revised Budget expectations (which included the estimated impact of COVID-19)
- Golf Fund continues to deteriorate
- Transit and Airport have decreased revenues

# General Fund Revenues

- 2020 budget revisions reduced GF revenues by \$13 million
- Weakness was expected in sales tax, interest earnings, charges for services and court fines
- Overall revenues are performing as expected; sales tax is better; charges for services is worse

# General Fund Expenditures

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- 2020 budget revisions reduced GF expenditures by \$12 million
- Overall, expenditures are performing as expected
- Reduced activity levels (Park, CMO, Court) have reduced expenditures, as expected
- Police expenditures are higher than projected through Q2 – mainly due to June overtime

# General Fund Overall

- 2020 Q2 results are generally consistent with 2019 Q2 results

	Q2 2020	Q2 2019
Revenues	\$160.1 million	\$159.4 million
Expenditures	\$119.6 million	\$118.9 million
Margin	\$40.5 million	\$40.5 million

# General Fund – Key Takeaways <sup>7</sup>

- Overall, the General Fund performed consistent with expectations in Q2 (with notable variations)
- Sales tax is out-performing, Police expenditures were over budget
- CARES Act funding for expenditures though December 31 is important

# Golf Fund

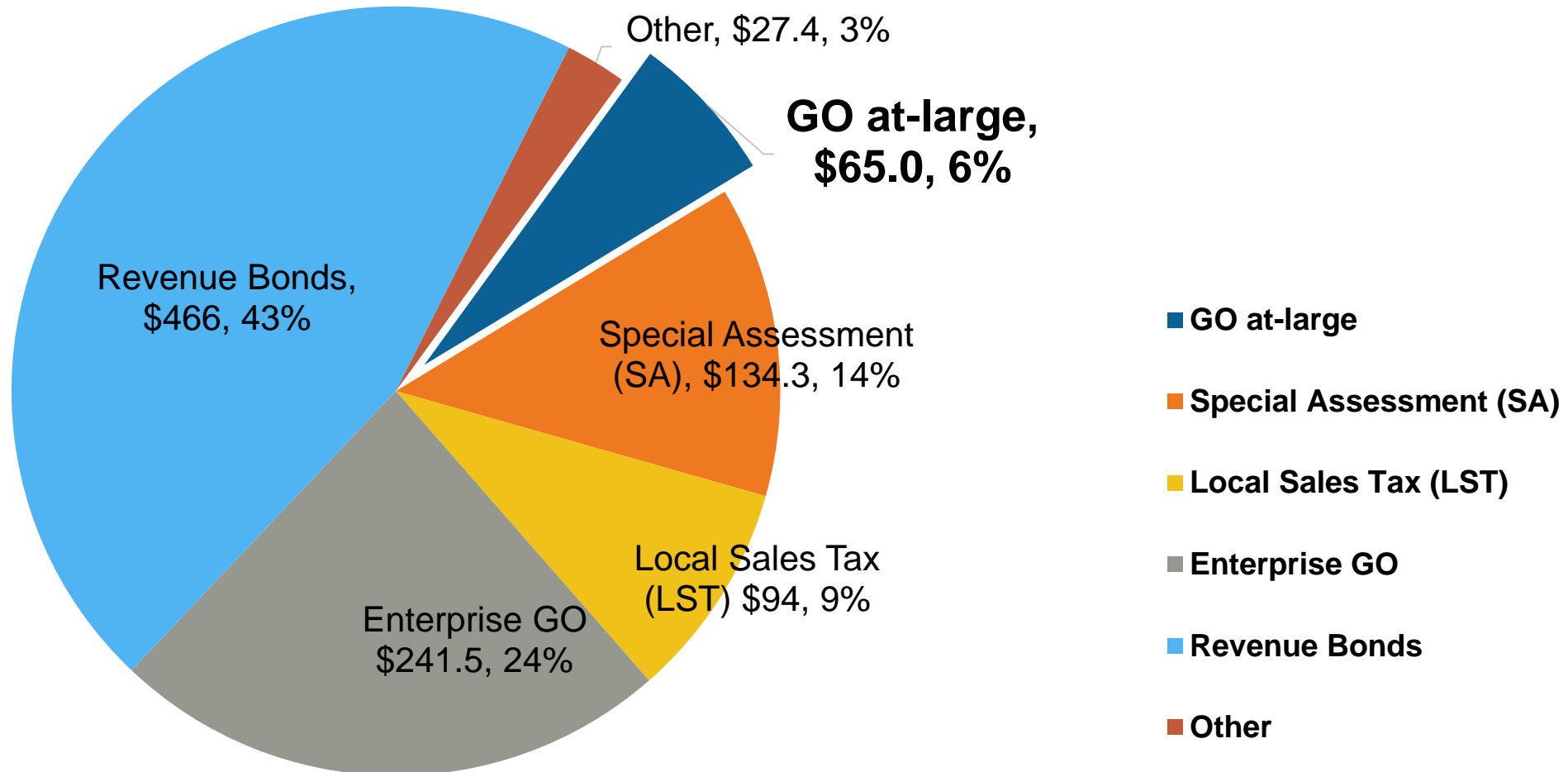
- Golf rounds were down 24.2% in Q2 (over Q2-2019); revenues were down 31%.
- Golf expenditures were down 24% in Q2 (compared to Q2-2019)
- The unencumbered net position at the end of Q2 was negative \$238,894

# Other Funds

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- Transit – Operating revenues were down 21.5% from 2019; Expenditures were down 13.9%.
- Airport - Revenues were down 20% through Q2 2020; Expenditures were down 9.3%.

# Total Bonded Debt



# Debt Activity - Takeaways

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- GO at-large debt is only 6% of total bonded debt
- The City remains over \$905 million below the State debt limit
- Debt levels should fall through Q4 as principal payments exceed new issuances

# Looking Forward

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- Staff continue to monitor revenues: monthly sales tax results and December revenues (property tax delinquencies, MVT) are important
- Continued monitoring of expenditures is important, but trends are mostly favorable
- Year-end results will be impacted by CARES funding

# Summary

- Impact of COVID-19 is apparent in financial results (largely enterprise funds and the General Fund)
- Through Q2, results are mostly consistent with the 2020 revisions approved on August 11

# Recommendation

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- Receive and file the Quarterly Financial Report for the period ending June 30, 2020

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